One World, One Company

Delivering Innovative Solutions, A Global Perspective

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Treasury and Trade Solutions
“We will continue to invest in our Treasury and Trade Solutions business, the backbone of our global network, while we capitalize on our focus on the payments side. This business is capital friendly and not easily replicable. It took us decades to build and remains the clear global industry leader.”

Michael Corbat
CITI CEO
We Live in a Challenging Time of Change for Corporate Treasury

Six Macro Trends are Shaping the Corporate Treasury in 2015

1. Geopolitics
2. Regulation
3. Cyber Security
4. Innovation
5. Big Data
6. Digitization
## Global Macroeconomic, Financial and Geo-Political Environment

### Macro Trends Shaping the Corporate Treasury in 2015

| **Decline in Oil Prices (~1/2) due to unexpected demand weakness; OPEC supply steady as non-OPEC producers raised production** |
| **Geopolitical factors in Iran, Russia, Ukraine, Venezuela, and some Middle East countries** |
| **USD continues to appreciate and strengthening may still continue, hurting US Exports. Rate rise expected; uncertain timing** |
| **Weak incumbents or new governments in Brazil, Colombia, South Africa, Nigeria and Turkey** |
| **ECB’s quantitative easing program, stagnant growth, negative rates and deepening of Greek crisis among the factors sending the euro down** |
| **China’s growth continues to slow. PBOC reduces bank reserves requirements by 1% to drive stimulus** |
Key Drivers and Priorities for Treasury in 2015

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<th>Top Priorities in 2015</th>
<th>Implications</th>
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<td>Returns</td>
<td>Supporting Growth</td>
<td>Supporting growing business momentum requires Treasuries to implement new subsidiary funding techniques, ensuring the right amount of liquidity at the right place at the right time</td>
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<td>Risks</td>
<td>Managing Contingencies</td>
<td>Treasurers need to reassess organizational structures and capabilities to ensure capacity to manage commercial and financial risks on a more integrated basis</td>
</tr>
<tr>
<td>Regulations</td>
<td>Maximizing Technology</td>
<td>Given tight technology budgets and focus on ROI, treasuries need to carefully prioritize technology investments and ensure maximum impact of dollars spent</td>
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Citi brings insight on how some of the top clients are creating a Best-in-class Treasury

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<td>Auto Matching Receivables to Invoices</td>
<td>Treasury Management Systems</td>
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The Treasury and Trade Solutions Network

### Americas
- Argentina
- Bahamas
- Bermuda
- Brazil
- Canada
- Cayman Islands
- Chile
- Colombia
- Costa Rica
- Dominican Rep.
- Ecuador
- El Salvador
- Guatemala
- Haiti
- Honduras
- Jamaica
- Mexico
- Panama
- Paraguay
- Peru
- Puerto Rico
- Trinidad and Tobago
- Uruguay
- US
- Venezuela

### Europe
- Austria
- Belgium
- Bulgaria
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Jersey
- Kazakhstan
- Luxembourg
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Serbia
- Slovakia
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- UK

### Middle East and Africa
- Algeria
- Bahrain
- Cameroon
- Congo, D.R.
- Egypt
- Gabon
- Ghana
- Iraq
- Israel
- Ivory Coast
- Jordan
- Kenya
- Kuwait
- Lebanon
- Morocco
- Nigeria
- Pakistan
- Qatar
- Senegal
- South Africa
- Tanzania
- Tunisia
- Uganda
- UAE
- Zambia

### Asia Pacific
- Australia
- Bangladesh
- China
- Hong Kong
- India
- Indonesia
- Japan
- Malaysia
- New Zealand
- Philippines
- Singapore
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- Vietnam

1. Representative office.
ASIA—The Market and Key Client Themes

The Market

General
- Asia accounts one-third of global GDP growth with growth forecast of 6.3% for 2015
- China growth remains moderate (7%) which reflects the continued policy efforts to address financial vulnerabilities and gradual shift to sustainable growth
- Interest rate cuts in several countries and outlook impacted by uneven global recovery and uncertainties in Fed policies

Political
- China: “Four Comprehensives” political framework—include a moderately prosperous society, reform, rule of law and party discipline
- India: 2015–2016 budget released. Includes harmonized goods and services tax, corporate tax cut rate, new infrastructure funding and comprehensive social security
- ASEAN—10 member countries working towards creation of ASEAN Economic Community (AEC) by December 2015 (lower tariffs, liberalized investment and capital flows, hub of free trade activity and SME initiatives

Regulatory
- China: Creation of the Shanghai Free Trade Zone as a pilot area to allow RMB Cross Border 2-way Physical Pooling between Intercompany entities, POBO/ROBO Structures and Settlement Netting
- Australia: Since January 1 2015, the Australian Prudential Regulatory Authority will require Authorized Deposit Taking Institutions to be 100% compliant with Basel III’s Liquidity Coverage Ratio

The Clients

Key Client Themes
- Regulatory Reform
- Paper to Electronic Movement
- Standardization and Connectivity
- Cash Management and Treasury Operating Models
- Supply Chain Management

Key TTS Solutions
- Integrating China into regional and global liquidity structures
- Reduce cash and cheques, move towards electronic and digitization
- Continued evolution of technology architecture including host to host solutions, data analytics and reporting tools
- Re-evaluation of treasury operating models, locations and cash management structures
- Supplier Financing and Commercial Cards to address working capital and cost management metrics
Asia Client Case Study: RMB X-Border Liquidity Solution for Treasury Efficiency

Client Need

• An European health care company had significant RMB surplus in certain subsidiaries in China but at the same time had bank borrowings to fund working capital of other subsidiaries in China and other countries and/or regions
• Due to regulatory limitations in the past, client had not been able to utilize the trapped cash in China to support the funding needs of other group companies
• Client was looking for an automatic liquidity solution to enable them to utilize surplus RMB in China to obtain treasury efficiencies across the group globally

Citi Solution

• Leveraging on the RMB internationalization and Shanghai Free Trade Zone (“SFTZ”) initiatives, Citi offered a fully automated Liquidity Management solution comprised of
  – RMB Special Account opened in SFTZ
  – RMB Domestic Target Balancing (“TBA”) structure in China with RMB special account as the master account of a 3-Tier structure to link onshore automatic pool; and
  – Two-Way RMB Cross Border Target Balancing Account structure between RMB special account and CNH account in Hong Kong, with both cross border funds lending and borrowing allowed provided funds involved are self sourced
• Citi provided advice to client on all considerations for setting up the structure and supported the client on regulatory approvals

Benefits to the Client

• Enhanced treasury and liquidity management within the group globally which now includes the China surplus
• Freed up trapped cash from China subsidiaries and utilizing the excess liquidity more effectively to support other group companies in need of working capital
• Two-Way Structure enables the utilization of excess funds from overseas operations to fund temporary shortfalls in China
• Achieves saving in borrowing costs and enhances yields from surplus cash on net basis
• Flexibility to further connect into notional pooling structures in other countries and/or regions and improved cash forecasting ability within the group
Japan—The Market and Key Client Themes

The Market

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<tr>
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<tbody>
<tr>
<td>4Q</td>
<td>4Q F</td>
<td>1Q F</td>
<td></td>
</tr>
<tr>
<td>Real GDP¹</td>
<td>0.7%</td>
<td>2.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>CPI</td>
<td>2.5</td>
<td>0.0</td>
<td>0.6</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>3.5</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Yen/US$</td>
<td>120.55</td>
<td>130</td>
<td>131</td>
</tr>
<tr>
<td>10-Yr. JGB (Period Ave.)</td>
<td>0.32</td>
<td>0.45</td>
<td>0.50</td>
</tr>
</tbody>
</table>

1. [1].

General

- Consumption tax increase from 5% to 8% was done in April 2014. Consumer spending decreased afterwards but with wage increase, employment growth and oil price decline 2015 is forecasted to show solid growth. Long debate on when to increase further to 10% in the past year and was set back to April 2017.
- The zero interest rate policy and monetary easing is expected to continue to further boost up the economy.
- Japanese export manufacturers are benefiting from the weakened JPY and several of major companies has produced record high profit levels.
- Prime Minister Abe LDP won majority in region election on April 12th showing continued public support to the current cabinet. Expected to be stable until at least June 2016.

The Clients

Key Client Themes

- Globalization of Treasury
- Liquidity Optimization
- Cost Efficiency
- Solution Innovation
- Ensuring Compliance
- Meeting Regulation

Key TTS Solutions

- Scalable global platforms and solutions
- Global liquidity structures such as pooling, netting
- Reduction in cost of borrowing, FX hedging cost through integration expertise
- SSC advisory. Electronic data security and mobile, tablet solutions
- Data visibility and protection. Expense management by cards
- Money Lending License/Central bank reporting
Japan Client Case Study: Global Liquidity Management from Headquarter

Client Need
A Japanese Multi-national Company Looking to Achieve Liquidity Efficiency and Visibility from their Japan Headquarter

• Key requirements included
• Visibility of multiple currency cash position in and out of Japan through global platform
• Efficient use of surplus balance to offset bank margin reducing the cost of borrowing
• Reduce administrative costs and keep control

Citi Solution
Based on their Overseas Account Structure, We Delivered

• Multi Currency Notional Pooling between multi currency accounts held in Citibank Japan which are linked to each currency account held overseas
• Target Balance Accounting to provide automated notional cross borderer sweep into Citibank Japan of funds held in Citi or third party banks overseas

Benefits to the Client
Achieving Goals with Optimum Treasury Operating Efficiency and Cost Savings

• An automated process that notionally pool balances into a single net position by offsetting credit and debit balances across different currencies without physical movement of funds
• Reduction in cost of borrowing ; bank margin only applied on net balance
• Increase control of cash in global network ; net group balance available for draw down
• All balance of each participating account is notionally converted to the target currency using automated Citi FX benchmark without spread taken
LatAm—The Market and Key Client Themes

The Market

General
• Argentina inflation expectations remain high (25% estimation for 2015) while office FX rate seems to stay stable until the end of the year. Economic challenges remain big, as the deterioration of the fiscal accounts continues unabated, the ARS is overvalued, and activity fails to pick up.
• In Brazil, looking ahead, the fiscal, credit, and monetary tightening should negatively affect activity, and, therefore, the quarterly GDP contraction should intensify. We forecast GDP to decline 0.8% in 2015. Global and domestic factors continue indicating further BRL depreciation in the near term.
• CCA benefits from lower commodity prices are beginning to become evident. In all countries, we expect the current account deficit to narrow in 2015 as result of low commodity prices; namely, the Dominican Republic and Panama. In the case of Costa Rica and El Salvador the information is not yet fully available.
• In Colombia, we continue to expect growth to slow down this year and, thus, we have recently reduced our 2015 expected GDP growth figure to 3.5% from 3.8%.
• Venezuela continues being the most challenging market in Latin America given its size and regulatory complexity and we are not seeing material changes in the medium-term.

Political
• In Brazil the successive defeats of Dilma Rousseff’s government in Congress and the sharp decrease in her popularity have raised concerns about her political support. Part of the fiscal adjustment needs to be approved by Congress, e.g., the reduction in some social benefits or the unwinding of the social security tax breaks.
• Argentina during the summit of Unión Cívica Radical (UCR), an alliance was formed with Mauricio Macri’s Pro to join its primary elections. Recent polls show Macri is gaining momentum as the main opposition candidate.

Regulatory
• Mexico on the reform front amid complicated political background things are moving president, Enrique Peña Nieto has succeeded in passing its structural reform agenda over the course of its first two years in power. This agenda has included landmark reforms on education, banking, telecommunications and energy, in addition to fiscal and political-electoral reforms.
• Costa Rica is expected to send Congress a proposal to transform the current sales tax into a value-added tax.

The Clients

Key Client Themes

Emerging Market as Agents of Growth
Focus on Operational Efficiencies
Stability of Supply Chain
Innovation
System and Infrastructure
Regulatory Reform

Key TTS Solutions

• Citi is in 21 countries in Latin America with full Treasury and Trade Capabilities
• Centralization of treasury process for visibility and control through SSC or RTC
• Optimize liquidity structures, In House Banking
• Supplier and Receivable Finance and Cards solutions
• Standardization and Connectivity
• Digitization of Order To Cash and payment processing
• CitiDirect BE/Tablet/Connectivity and paper to electronic
• Drive towards XML file format and SWIFT connectivity driven by HQ
• Embedded banking infrastructure or platform provider
• Need for Advisory on Regulations and Market Practice

Source: Citi Investment Research
LatAm Client Case Study: Centralizing and Standardizing Banking Activities

Client Need

Client Needed a Single Partner Bank to Streamline its Banking Activities in LatAm

- This decision came as a result of an internal assessment which showed that this client was administrating more than ten bank relationships with more than 150 bank accounts
- The client made the decision to centralize and standardize its transaction banking activities to reduce internal and external costs, achieve greater process efficiency, and establish synergies across different treasury functions
- To support this treasury strategy, client decided to establish a regional treasury centre as well as a shared service centre

Citi Solution

- **One-bank’ strategy** Citi was already a banking with this client in some of the client key countries but moved from an in-country approach to a regional relationship with a standardized approach in terms of coverage, pricing, products and client service
- **Comprehensive Product Suite** including cash management, payroll, foreign exchange and short-term lending
- **Quality** of support being Citi their trusted advisor at an in-country and regional level
- **Host-to-host connectivity via CitiConnect** which enables the client to streamline and standardize their payables process
- **TreasuryVision®** was used as the company cash management platform for the region, including reporting and cash forecasting, providing a high level of visibility and control over cash flow, and enabling borrowing and investment to be conducted on an aggregate basis

Benefits to the Client

- **Enhances treasury and liquidity management** within the group regionally which provided enhanced financial efficiency and reduction of transaction costs
- **Operational Efficiency**—cost reduction initiatives Shared Service Centre with a truly regional partner that can manage both treasury and back-office processes
- **Trusted Advisor** on regulations and market practice as well as expertise with Regional Treasury Centres and Shared Service Centre
- **Best in Class process**, with visibility and control over cash flow across the region using TreasuryVision
- **Increased security and control** over payments due to payment digitization and host-to-host connectivity
Mexico—The Market and Key Client Themes

The Market

General
- Mexico began the year with surprises on the activity front. Manufacturing exports decelerated from an annual growth rate of 9.7% in 4Q14 to a 4.6% average in the first two months of 2015. Meanwhile, variables associated to internal demand surprised on the upside, with retail sales for example posting a seasonally adjusted monthly change of 2.1% in January, the highest in 13 months. In the net however, headwinds associated to the factors lead us to make a slight downward adjustments in our GDP growth estimates for the year as a whole, to 2.8% from 3.0% previously.
- On the inflation front, we now see inflation closing this year at 3.1%. This slight adjustment is driven entirely by the fact that the lower rate of economic growth implies a slightly larger negative output gap throughout 2015.
- FX Volatility: 13% US dollar appreciation vs the Mexican peso since November 2014.
- The forecast for the price of the Mexican Oil Mix in 2Q15 is at $35 per barrel, we believe international oil prices will reach their lows in the next few months as winter demand disappears and storage levels move closer towards capacity. Later in the year, we still see a rebound in the Mexican Oil Mix price of US$10 per quarter. This takes our average forecast for the year to US$45pb.
- Formal employment expanded by 4.5% YoY and by 0.34% MoM in March. The number of new jobs created was 751,000 versus March last year (79% permanent and 21% temporary). We have now raised the forecast for average annual formal job growth in 2015 to 4.5% from 4.2%.
- Investment in the Mexican auto industry is soaring as automakers take advantage of low labor costs, an increasingly sophisticated workforce and free-trade agreements.

Political
- New General Law of Transparency approval (385 votes in favor and 24 against) guarantees access to information about any authority including individuals and registered companies that receives and makes use of public funds, thus tripling the number of institutions obliged to render accounts from 17 to 50.
- There will be federal deputies elections (June 2015). The surveys published show the PRI has 34% of the voting intentions, while the PAN has 23%, the PRD 15%, Morena 9%, the PVEM 7% and the other parties 12%.

The Clients

Key Client Themes

- Energy Reform
- Shared Service Centre
- Trade Working Capital Finance
- Operational Efficiencies
- Commercial Cards

Key TTS Solutions

- TTS integral solutions for New Inbound clients in Mexico
- Full range of local products, coverage and support
- Citi platforms and client advisory on SSCs and RSCs
- Citi’s H2H solutions and data analytics
- Local, Regional and Global platforms to address working capital metrics
- Citi Supplier Finance solutions to support suppliers growth
- Payments and Receivables Host to Host solutions
- Optimize liquidity structures
- TTS ECS + roll out in Mexico during the 2nd H’15.
Mexico Client Case Study: Branded Consumer Cash Counting ATMs/Collections

Client Need

• Client needed a single partner bank to streamline its cash collection process
• Cash collection counting ATM leasing was a critical component of the solution
• Collection and deposit services needed to be all linked and documented under a single agreement and charged by Citi/Banamex, regardless of the participation of (ATM supplier and armored car services companies) third-parties in the process
• Client needed to substitute and improve current technology used in their distribution centers through a seamless implementation without negative impact on their ongoing operation

Client Solution

• Client and Citi/Banamex joined efforts to setup an adhoc solution to it’s distribution center collections and cash management
• Banamex provides cash counting equipment through a leasing agreement along with cash transportation and deposit services for all collected cash
• Citi/Banamex required to structure legal documentation specific to contract and operate this solution
• Through the structuring and negotiation process, Client and Citi/Banamex worked as a team to overcome obstacles along the way
• Cobranza Universal (Virtual Accounts solution) was also implemented to help the company to indentify 100% of the incoming transactions to each of their 50+ distribution centers

Benefits to the Client

• Single partner bank for all services comprised in the solution, counting equipment leasing, cash transportation and deposit services for all collected cash
• Operational Efficiency—Immediate cost reduction on the ATM counting Machines and service related to the maintenance of the equipment
• Best in Class process, 100% identification of all incoming transactions and the possibility to automate their reconciliation processes through Citidirect as a second stage of the project
• Trusted Advisor—The Company is consolidating an In-house Corporate Treasury based on our platforms and transaction solutions
The Market

General
- US economy strengthened in 2014. GDP growth was 2.4% for 2014, and is projected to increase to 3.6% in 2015. Inflation remains under 2% and unemployment is down to 5.7%. A steep drop in crude oil prices since the middle of last year has put downward pressure on overall inflation. As of December 2014, the price index for personal consumption expenditures was only 0.75% higher than a year earlier, a rate of increase that is well below the Fed’s longer-run goal of 2%
- Economists are generally predicting the Fed to raise US overnight interest rates toward the middle of 2015, with potential follow-on rate increases in the latter part of the year
- The capital strength of US money center banks continues to outpace their European counterparts with tier 1 capital ratios in excess of 10%
- The Canadian economy has a close linkage to the US economy, and is improving quite strongly. Yield curve is quite flat, with a benchmark rate of less than 1%, but increasing rate expectations in coming years. CPI inflation is rising faster than expected, while GDP growth outlook for Canada remains roughly unchanged

Political
- Issues to watch will be foreign policy crises (particularly military action against Islamic State forces and the situation in Ukraine and Russia), immigration reform, environmental issues, raising domestic minimum wage, healthcare, and unemployment rates

Regulatory
- Regulations aimed at strengthening the financial system are driving banks and as a result, corporates, to view operating balances and associated transaction flows tied together much more closely than ever before
- Canadian banks are developing new solutions enabled by new regulations on Electronic Remote Capture (image exchange in place of physical paper clearing)
- Regulatory: Money Service Bureaus (MSBOC). Companies are looking at their eCommerce strategies and how to go straight to customers (both businesses and individuals) via a number of channels. TTS’ ability to embrace and partner with clients will put us in a leadership position on the digital commerce front

Key Client Themes

- Low interest rate environment
- ECR, IBDDA, and 31 Day+ MMTD for Basel III implications, SEC MMF reform implications, FATCA compliance
- Robust process to integrate or separate clients globally
- Citi Integrated Payables Solutions—lower costs by driving conversion from paper to electronic payments
- Citi Supplier Financing
- Better usage of working capital through IHB and treasury centers for regional funding
- Present and Pay (Secure Email)
- Virtual Card Solutions
- US Chip and PIN Migration
- Mobile Banking—CitiDirect BE
- Drive towards XML file format and SWIFT connectivity

Citi Integrated Payables—lower costs by driving conversion from paper to electronic payments
- Citi Supplier Financing
- Better usage of working capital through IHB and treasury centers for regional funding
- Present and Pay (Secure Email)
- Virtual Card Solutions
- US Chip and PIN Migration
- Mobile Banking—CitiDirect BE
- Drive towards XML file format and SWIFT connectivity
NAM Client Case Study: Logistics Client

Client Need

- A European headquartered logistics company is looking for an integrated payables solution that would also result in operational savings and working capital efficiency
- The solution must support and optimize supplier payments, and provide low cost automated domestic and cross-border payment options
- Client currently has a payment factory in the US
- Client needs to align with their global strategy to adopt ISO XML

Citi Solution

- Citi® Integrated Payables Solution is a comprehensive supplier payment tool that facilitates migration from paper to electronic disbursements, and increases working capital. The solution is comprised of
  - Citi® Working Capital Analytics provides an analysis of the client’s supplier spend file to determine the most cost effective payment options, such as electronic payments via virtual cards, ACH, FX, and Supply Chain Finance
  - Supplier Enablement Services executes an enrollment strategy that highlights the benefits of replacing checks with virtual card and ACH payments to drive supplier adoption
  - Citi® Payment Exchange seamlessly migrates the client from paper to electronic by maintaining vendor payment data in order to automatically send electronic payments through the preferred payment channel
  - Supply Chain Financing extends suppliers payment terms and maximizes working capital
- Host-to-host connectivity via CitiConnect for SWIFT enables the client to streamline and standardize their global payments using ISO XML
- WorldLink enables the client to make cross-border payments, with the added advantage of Straight Through Processing and competitive FX rates

Benefits to the Client

The Client has Benefitted from Significant Transactional and Overhead Savings as a Result of the Citi Integrated Payables Solution, which has Enabled the Client to Take Full Advantage of Our Comprehensive Payment Suite and Transformed the A/P Department from a Cost Center into an Earnings Generator

- Eliminated significant volumes of paper checks from the payment process by executing end-to-end enrollment of suppliers in electronic payment—ACH and Virtual Card
- Reduced administrative overhead costs by outsourcing residual check volumes for print and mail
- Increased security and control over vendor payments due to payment digitization
- Enhanced the supplier payment experience and reduced payment errors due to outdated supplier profile data
- Improved cash flow and increased days payable outstanding (DPO) by taking advantage of Commercial Card rebates and Supply Chain Finance
- Standardized global payments and reporting processes by leveraging CitiConnect for SWIFT
EMEA—The Market and Key Client Themes

The Market

General
- Continuous EUR and RUB depreciation. (1 year: -23% EUR—USD and -28% RUB—USD)
- Lack of wage growth, high unemployment (5% increase YoY), flat GDP growth (0.3% in 4Q14) undershoots prompting the ECB QE in 4Q
- Zero GDP Growth in 2Q across Euro Zone, with Germany declining—ECB quantitative easing
- Interbank EUR rates have become negative following the ECB policy decision on the 4th of September 2014 to cut deposit facility to negative 20 bps. With the ECBs 1trn EUR Quantitative Easing announcement current Overnight Libor rate is negative 18 bps (approx.) with expectations to decline further
- Similar actions have been taken across other central banks in Europe. On January 15th, SNB reduced deposit rate to negative 75 bps and on 22 January 2015, the Danish Central Bank announced a further rate cuts to negative 75bps. More recently, on the 18th of March the Riksbank cut the SEK repo rate to negative 25 bps M&A volumes up, across all sectors, ex financials, to pre-2008 levels e.g. Whirlpool/Indesit, Shell/BG and Nokia/Alcatel

Political
- EU election cycle resumes: UK and Spain in focus, following independence referendums and rise in anti-austerity Syriza vote in Greece—electoral landscape is in significant flux
- Nigeria: democratic election/transition a plus with need to tackle resurgent terrorism, OPEC divisions and oil fall
- Ukraine and Russia—The geopolitical backdrop remains challenging and the crisis has entered a new, more uncertain, post Minsk, phase. Conditions attached to the IMF deal will impose economic pain on Ukraine. Net capital outflows from Russia with sanctions increasing pressure at time of oil price fall and Saudi increased production
- Continued Middle East instability—Syria, Egypt, Pakistan, Turkey constitutional reform. Africa is enjoying unprecedented political stability, but risks remain—i.e. terrorism—Yemen, Syria

Regulatory
- Basel III, Liquidity Coverage Ratios, CRD IV, European Bank Stress Tests
- Recovery and resolution planning
- Currency Unions—e.g. EUR / XOF
- FX volatility/CCY devaluations
- Financial Transaction Taxes, BEPS

The Clients

Key Client Themes

Funding Efficiency and Supply Chain Instability

Margin Pressure

Risk Management

Managing Regulatory Change

Operational Efficiency

Demographics and Peer Comparison

Key TTS Solutions

- Rise in currency pooling and working capital management tools especially Supply Chain Finance
- COGS reduction with intensified focus on business to business purchasing card and employee travel and entertainment solutions
- Digitization of Order To Cash and payment processing with mobile solutions for payment authorization and statements
- Risk Modeling and Continuity of Business
- Treasury Transformation—leveraging SEPA, POBO/ROBO, changes to trading models readiness/leadership role
- Open dialogue on preferred asset and liability classes to best satisfy Basel III ratios
- SWIFT, XML, SEPA , Hub-to-hub account opening and subsidiary coverage acting as key enablers
- Data Analytics—Treasury Benchmarking, Interactive Solutions
EMEA Client Case Study: SCF Solution for Middle Eastern Airline

Client Need

• The client wanted to strengthen its supply chain while achieving process benefits, such as automation of invoices
• It also aimed to improve its cash-flow and working capital
• It decided to implement a supply chain finance (SCF) solution for key suppliers globally that would enable them to receive early payments for their receivables and access low cost finance

Citi Solution

• The SCF solution leverages the client’s financial strength and Citi’s role as an intermediary to provide finance to suppliers at a cost lower than they would usually be able to achieve. It is automated from end-to-end for the client, its suppliers and Citi and offers flexibility. Suppliers can receive payment immediately for individual invoices or can opt to be paid early for all invoices. Discount rates, payment dates and other information is transparent and accessible online. The client monitors the programme using an SCF platform with host-to-host connectivity
• Citi worked with the client to analyse its supplier base to identify which companies would benefit most from the SCF programme and which would deliver the greatest benefits to the client. An important part of the solution was educating and supporting suppliers

Benefits to the Client

• The client has benefitted from full end to end solution that is integrated into their existing infrastructure, supporting multiple instruments across multiple countries and the opportunity to improve liquidity position by integrating payments and collections into one single primary bank
• Select a single bank and maximize use of IHB
• Streamline bank account structure, other cash tools, further standardize systems and process
• Improve collection processes, availability of data and as well as improve reporting
• Standardization of reporting and a single window of visibility in all markets
• Single bank approach to Africa will provide considerable process improvements and simple data reconciliation
• Streamline credit, LCs and establish appropriate credit lines
How Our Network Benefits You

Operating as a Local Bank
• Our principles are globally consistent but we don’t overlook the individual nature of local markets

Committing to Innovation
• Our network and scale give us the capability to invest in new technologies and innovate how we work together

Taking a Holistic Approach to Your Needs
• Committed to understanding the challenges you face as your business grows and bringing to bear the power of our network

Delivering Regulatory Insight
• Our local presence facilities long-standing relationships with regulators worldwide and enables us to share insights and advice with you

Giving you Consistency Wherever You are
• Making the complex simple through a network that understands local nuances helps to standardize processes, platforms and experiences, and creates best practice

Providing Dedicated Sector Expertise
• Industry sector experts around the world who understand the trends, challenges and opportunities you face you practical advice

Using Our Experience to Help You
• When you expand your business globally, our network and local experience gives you the support you need

Being there When and Where You Need us Most
• Our global network and 200-year history give us the local experience to help you in challenging times and in challenging markets

Treasury and Trade Solutions
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